



Town of Mashpee

*16 Great Neck Road N.
Mashpee, Massachusetts 02649*

FINANCE COMMITTEE – PUBLIC SESSION
Mashpee Town Hall – Waquoit Bay Meeting Room
Thursday, November 17, 2016 – 6:30 p.m.

CALL TO ORDER

PUBLIC COMMENT

APPROVAL OF MINUTES

- October 17, 2016

COMMUNICATIONS & CORRESPONDENCE

APPOINTMENTS & HEARINGS

- Town Manager – 5, 10, 20 Year Projected Budget Presentation

OLD BUSINESS

NEW BUSINESS

- Reorganization
- Liaison Assignments

LIAISON REPORTS

ADDITIONAL TOPICS

- This space is reserved for topics that the Chairman could not reasonably anticipate would be discussed.

UPCOMING FINANCE COMMITTEE MEETINGS

- Thursday, December 15, 2016

ADJOURNMENT

Finance Committee
Minutes
November 17, 2016

Present: Chris Avis, David DelPonte, Mike Richardson, Jeffrey Pettengill, Sylvester Ryan
Town Manager Rodney C. Collins
Assistant Town Manager Wayne E. Taylor

Absent: Oskar Klenert

Meeting Called to Order by Chairman Avis at 6:30 p.m.
Mashpee Town Hall, Waquoit Bay Meeting Room

PUBLIC COMMENT

None at this time

APPROVAL OF MINUTES

October 17, 2016:

Motion made by Mr. Richardson to approve the minutes of Thursday, October 17, 2016 as presented.

Motion seconded by Mr. Pettengill.

VOTE: Unanimous. 5-0.

Roll Call Vote:

Mr. Avis, yes

Mr. DelPonte, yes

Mr. Richardson, yes

Mr. Pettengill, yes

Mr. Ryan, yes

Opposed, none

APPOINTMENTS & HEARINGS

Town Manager – 5, 10, 20 Year Projected Budget Presentation:

Rodney C. Collins, Town Manager was in attendance with Wayne E. Taylor, Assistant Town Manager to review the long term fiscal analysis and plan for the Town of Mashpee. The financial analysis is reflective of a 10-year financial forecast from fiscal year 2018 to fiscal year 2027. At this time, there is no twenty-year budget projection as ensuing years are difficult to determine and become less accurate. The figures contained in the budget assumptions over the ten-year span are generally accurate and will be updated on a yearly basis with actual revenue figures.

As the Town moves forward this is an important document to guide the budget process. Based on the projections, and to maintain the current level of services, there are budget challenges to be recognized in fiscal year 2022.

Finance Committee
Minutes
November 17, 2016

APPOINTMENTS & HEARINGS

Town Manager – 5, 10, 20 Year Projected Budget Presentation: (continued)

Town Manager Rodney C. Collins introduced his Financial Team consisting of Dawn Thayer the Finance Director, Jason Streebel the Director of Assessing and Craig Mayen the Treasurer/Tax Collector. Town Manager Collins commended his Financial Team for their input and assessment.

The financial strategies contained in the Long Term Fiscal Analysis for the Town of Mashpee are comprised of nine different scenarios. Scenario 1 which does not include wastewater/cleanwater is used as the baseline for each analysis. Dawn Thayer Finance Director indicated the Financial Team reviewed the past three year history of revenue appropriations to obtain the base projections for the ten-year forecast.

Budget assumptions include both educational and non-educational departments, fixed costs, LUINA (retirement expense) and health insurance. The budget also includes additional monies for the Cape Cod Technical School renovation/construction project and payments for the Quashnet School window and door replacement project.

It was explained the revenue analysis calculates what is available for the Town budgets within the budgeted timeframe. This includes State Funds, Chapter 90 funds, Local Aid, reimbursements, Lottery Aid and other aids, etc.

It was noted the bond for the high school debt was paid in fiscal year 2017. Therefore, the MSBA reimbursement for this project would not be received in FY18 and reflects a significant budget decrease in revenue assumptions.

With regards to non-property tax local revenues, it was noted that Ambulance Receipts directly fund \$500,000 to the Fire Department operating budget, and fully fund \$600,000 in costs associated to the purchase of the fire pumper truck. Streets contribute approximately \$2,600 in betterments to the Town. The Community Preservation Act debt, which derived from the former Land Bank, is subsidized by the CPA. Since the inception of the CPA all land purchases and debt have been fully funded through the CPA tax surcharge. In FY2020, the Town has the ability to opt out of the CPA. Although a community cannot vote out of the CPA until all outstanding debt has been expended, the CPA has enough funding to assume this obligation.

Local property tax revenues were reviewed. The yearly budget projection incorporates a 2.5% increase to the base levy. Debt exclusions and the Cape Cod Commission assessment are included in this assumption. Mrs. Thayer indicated the Town is sustaining at least \$500,000 each year with new growth. Although it may increase, this figure is slated to decrease in ensuing years.

Finance Committee
Minutes
November 17, 2016

APPOINTMENTS & HEARINGS

Town Manager – 5, 10, 20 Year Projected Budget Presentation: (continued)

The Finance Director also indicated that \$1.5 in free cash is used historically to offset the operating budget annually. As a result of conservative budgeting, the current balance is approximately \$6.6 million. The Finance Committee asked if this could be a one year tap in the budget to avoid a costly override in 2022.

In fiscal year 2018 the total general government revenue projection is \$57,124,093.

With regards to wastewater/cleanwater there are different scenarios to consider regarding financing, interest rates, forgiveness rates, zero interest loans, adaptive management approaches and other implementation options.

Budget assumptions in FY17 through FY23 under both educational and non-educations departments reflect a 2.5% increase. In FY24 to FY27 the figure is decreased in the revenue analysis to 1.5%. Fixed costs increase by 2.5% with the exception of LUINA and health insurance which are increased by 10%.

A new budget item for FY17 is the Department of Natural Resources which is represented by a 2.5% increase through FY23. The Cape Cod Technical School assessment includes an additional \$300,000 budget for the start of the renovation/construction project. However, the true cost is unknown to date. Debt associated to the Quashnet School window and door replacement project is also a cost to be determined and is expected to be bonded with the first bond payment to be assumed in FY21.

Although the CIP Committee has not convened, there are capital improvement programs projected, road bonds, and building improvements in the revenue stream. Therefore a \$3.8 million bond is anticipated with bond payments to begin in fiscal year 2022. With tangible figures, the actual figures would be adjusted. It was noted the budget may be offset with the overlay surplus in FY21. The overlay is generally held by the Assessors to reimburse the Town for any exemptions or abatements. It has remained steady at approximately \$200,000. If these monies are not expended with a vote of Town Meeting, the funding can be transferred for use as a funding source.

As this matter was discussed it was noted that an override would bring the Town to 2027, and maintain an estimated \$1.8 million in the tax levy. Jason Streebel, Director of Assessing indicated the tax rate valuation trend flows in a ten year cycle with peaks and valleys. Mr. Streebel estimates that real estate will peak within the next two years, and then valley in 2022. Generally, when valuations decrease, the tax rate increases and in 2027, it is projected the tax rate may be well over \$20 per \$1,000 valuation.

Finance Committee
Minutes
November 17, 2016

APPOINTMENTS & HEARINGS

Town Manager – 5, 10, 20 Year Projected Budget Presentation: (continued)

Craig Mayen, Treasurer/Tax Collector indicated the Board of Selectmen is expected to formalize policy for the Town's next bond rating to maintain the financial health of the Town of Mashpee. The Board of Selectmen is expected to formalize policies before the Town would go out to bond. This type of financial awareness has been recommended and will positively affect the Town's bond rating with Standard and Poor's.

With regards to the Cape Cod Technical School, Rodney C. Collins Town Manager indicated there was a presentation recently made to the Board of Selectmen. Cost estimates for renovation and/or new construction are currently being evaluated and the cost projection ranges from \$25 million to as high as \$150 million. Twelve member towns are involved in the process. The option is selected by majority vote, and if the Town was to vote not in favor of the project, Mashpee would remain liable to contribute towards the project. The preferred option should be made known by the end of the year. Warrants are anticipated to be sent to participating municipalities at the end of August for the district-wide election on October 24, 2017. Dawn Thayer, Finance Director represents the Town of Mashpee on the School Building Committee. The Town is expected to get updates on the project proposal.

Discussion followed with respect to the potential forthcoming debt. If the Town of Mashpee was to withdraw from the technical school, the Town would still maintain responsibility for building improvements and the participating towns would most likely not vote Mashpee out of the district. Currently 59 Mashpee students attend the Cape Cod Technical School.

School Committee liaison George Schmidt affirmed if the Town was to opt out of the technical school program, the Town would be liable for the improvement costs. In addition to this cost projection, the Cape Cod Collaborative intends to relocate to the Town of Bourne and additional costs may be required for the relocation of this program.

It was agreed this is a great deal of funding for 59 students. The possibility of providing more programs in-house to keep the Town's financial contributions downwards was considered. In response, Mr. Schmidt stated the Mashpee High School has developed excellent programs that rival technical and other schools. Presently, enrollment at the high school has increased slightly and it is anticipated it will grow further. Mr. Schmidt indicated he would discuss the curriculum with members of the School Committee.

Finance Committee
Minutes
November 17, 2016

APPOINTMENTS & HEARINGS

Town Manager – 5, 10, 20 Year Projected Budget Presentation: (continued)

In reviewing finances and the override anticipated in 2022 it was suggested the Town reduce payroll responsibilities. Salaries are the largest portion of the general government budget, and this would offset costs associated to an override.

In concern with the revenue forecast, Rodney C. Collins Town Manager indicated the impending Cape Cod Technical School renovation/construction project, the Quashnet School window and door replacement project; necessary road maintenance assumptions and wastewater/cleanwater obligations collectively are not sustainable within limited budgetary constraints.

Copies of the Long Term Fiscal Analysis for the Town of Mashpee are available for Finance Committee members in the Office of the Town Manager/Board of Selectmen.

NEW BUSINESS

Reorganization:

Chairman Avis opened the nomination process for the purpose of reorganization.

Motion made by Mr. DelPonte to nominate Chris Avis to serve as Chairman of the Finance Committee.

Mr. Richardson seconded the nomination.

VOTE: Unanimous. 5-0.

Roll Call Vote:

Mr. Avis, yes	Mr. DelPonte, yes	Mr. Richardson, yes
Mr. Pettengill, yes	Mr. Ryan, yes	Opposed, none

Motion made by Mr. Avis to nominate Mr. DelPonte to serve as Vice-Chairman.
Mr. DelPonte deferred the appointment and recommended Mr. Richardson for appointment.

Motion made by Mr. DelPonte to nominate Mr. Richardson to serve as Vice-Chairman of the Finance Committee.

Mr. Avis seconded the nomination.

VOTE: Unanimous. 4-0-1.

Roll Call Vote:

Mr. Avis, yes	Mr. DelPonte, yes	Mr. Richardson, abstained
Mr. Pettengill, yes	Mr. Ryan, yes	Opposed, none

Finance Committee
Minutes
November 17, 2016

NEW BUSINESS

Reorganization:

Motion made by Mr. Avis to nominate Mr. Pettengill to serve as Clerk of the Finance Committee.

Motion seconded by Mr. Richardson.

VOTE: Unanimous. 5-0.

Roll Call Vote:

Mr. Avis, yes

Mr. DelPonte, yes

Mr. Richardson, yes

Mr. Pettengill, yes

Mr. Ryan, yes

Opposed, none

Liaison Assignments:

There is no recommendation to date from the Town Moderator regarding an appointment to the Finance Committee to fill the current vacancy. The matter of liaison assignments was thus deferred to the next meeting.

LIAISON REPORTS

Schools: It was reported the Quashnet School window and door replacement project is under review. The tentative date is December 21, 2016 to submit the preliminary plan to the MSBA. Cost assumptions should be realized soon.

With reference to the Superintendent Search Committee, a list of questions and a community profile has been developed. The committee voted unanimously to maintain the position in-house rather than pursuing a costly expense for a state-wide or national search. The position has been posted today, and prospective candidates will go through the interview process. The target date is early January. To further save costs it was agreed the Superintendent Search Committee would not employ outside assistance for the exploration. The search committee is comprised of thirteen knowledgeable individuals representing the interests of the Town of Mashpee. Mr. Schmidt indicated he serves as co-chair of this committee.

UPCOMING FINANCE COMMITTEE MEETINGS

December 15, 2016 – 6:30 p.m.

Finance Committee
Minutes
November 17, 2016

ADJOURNMENT

Motion made by Mr. Richardson to adjourn at 7:57 p.m.

Motion seconded by Mr. Pettengill.

VOTE: Unanimous. 5-0.

Roll Call Vote:

Mr. Avis, yes

Mr. DelPonte, yes

Mr. Richardson, yes

Mr. Pettengill, yes

Mr. Ryan, yes

Opposed, none

Respectively submitted,

Kathleen M. Soares

Secretary to the Finance Committee